

JUL 1955

31 MAY 1955

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Proposed Legislation for CIA

REFERENCES:

- A. Memorandum to DD/S from Legislative Counsel, dated 2 May 1955, same subject
- B. Memorandum to DD/S, Attn: Special Support Assistant, DD/S from Deputy General Counsel, dated 13 April 1955, subject: H.R. 4941-Foreign Service Act Amendments of 1955
- C. Memorandum to ADD/S from D/Pers, dated 4 May 1955, subject: Applicability to CIA of Allowance Provisions in Foreign Service Amendments of 1955 and Proposed Overseas Allowances Act of 1955

1. This Office has reviewed the proposed CIA Amendments of 1955, prepared by the Legislative Counsel, and offers the following comments for your consideration.

2. The Office of Personnel believes that the Agency's legislative needs should be met insofar as possible through legislation generally applicable in the Federal service, especially if it is supported by the Administration. It is believed that this course is preferable to the introduction of a comprehensive series of amendments, or a CIA act, which might invite a general Congressional examination of Agency activities and authorities. On the other hand, this Office believes that the Agency should immediately seek certain needed amendments, for which statutory authority is lacking and which cannot be obtained by any pending or contemplated general legislation. If action were confined to such requests, the Agency could justify them on the merits of the substantive proposals and on the basis of circumstances which are of unusual or peculiar concern to CIA.

a. As a result of the Agency's authority in P.L. 110, 81st Congress, to adopt certain provisions of the Foreign Service Act, as amended by the Foreign Service Amendments of 1955, it appears that various of the Agency authorities requested in Sections 3, 6 and 7 of the proposed CIA Amendments are already contained in the Central Intelligence Act of 1949. Assuming that the Agency already possesses such authority, it is questionable if the Agency should again request their approval by Congress in a series of CIA Amendments.

(1) Quarters and cost-of-living allowances, enumerated in Section 7 of the Amendments, are authorized by Section 5(b) of

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P.L. 110. The educational travel grants, proposed in Section 3 of the CIA Amendments; the physical examination of dependents, destined overseas, as proposed in Section 6 of the CIA Amendments; and the educational allowances and home transfer allowances proposed in Section 7 of the CIA Amendments apparently may also be authorized by the Director. In this connection, the Deputy General Counsel has discussed the various allowances authorized by the Foreign Service Amendments of 1955 (P.L. 22, 84th Congress) and has stated that consideration should be given to adopting the policy of applying the provisions of this Act to all persons abroad who are compensated from unvouchered funds (Reference B). He further indicated that "in our opinion, authority resides in the DCI to approve such a policy".

(2) The Office of Personnel recommended in a memorandum to the Assistant Deputy Director (Support), dated 4 May 1955 that the General Counsel specifically determine whether the Director's authority in P.L. 110 extends to the authorization of educational travel grants, as contained in Section 911(9) of the Foreign Service Act (as amended by the Foreign Service Amendments of 1955) and that an amendment to P.L. 110 be sought to include such authority in the event the power does not already reside in the Director (Reference C). This Office raised the issue since P.L. 110 authorizes in Section 5(b) the grant of allowances in accordance with Section 901(1) and 901(2) of the Foreign Service Act but does not specifically refer to Section 911(9) of the Foreign Service Act, pertaining to educational travel grants. It appears, however, from the opinion of the Deputy General Counsel that the Agency does possess the requisite authority for authorizing the allowances reflected in Sections 3, 6 and 7 of the proposed CIA Amendments of 1955 to personnel compensated on unvouchered funds.

(3) For the above reasons, this Office considers it appropriate to continue to utilize P.L. 110 as the basis for granting the allowances provided for in Sections 3, 6 and 7 of the proposed CIA Amendments unless, of course, it is determined that such authorities cannot be fully exercised under P.L. 110.

b. Consideration should be given to deferring a request for "Foreign Service type home leave", as embodied in Section 5 of the proposed CIA Amendments, until the status and future prospects for passage of the Administration's proposal for making this benefit generally available to overseas personnel become more definite. We assume that the recommendation by the White House Task Force that this benefit be extended to overseas personnel generally will be given serious consideration during this and the next ensuing sessions of Congress. It is further recognized that the consideration and enactment of a comprehensive series of CIA Amendments might entail as much time as would be required for Congressional action on general legislation sponsored by the Administration.

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3. Immediate consideration should be given to seeking adoption of the following amendments, for which the Agency does not have statutory authority and on which no general legislation is pending.

a. Revision of Section 5(a) of P.L. 110

In regard to the proposed change in Section 5(a) of P.L. 110 (as contained in Section 2 of the proposed CIA Amendments), this Office appreciates the desirability of covering personnel on TDY overseas and in U.S. territories and possessions under certain benefits, such as medical benefits. The proposed language in Section 2 of the CIA Amendments, however, could be construed to authorize all of the benefits in Section 5(a) to personnel on TDY overseas and in U.S. territories and possessions. It is questionable if the amendment can be justified in its present form. Moreover, with respect to the proposed deletion in Section 5(a), P.L. 110 of the words "its territories and possessions", it would appear appropriate in justifying the amendment to specify the areas concerned, as was done in the proposed Overseas Allowances Act. The Office of Personnel recommends that consideration be given to treating the benefits in sub-sections 5a(1) through (7) as separate sections and that the applicability of each section, if any, to TDY and U.S. territories and possessions be delineated.

b. Revision of Section 5(a)(3)(A) of P.L. 110

The proposed change in Section 4 of the CIA Amendments would eliminate the current requirement in Section 5(a)(3)(A), P.L. 110 that an individual must have sufficient annual leave to carry him in a pay status for 30 days in order to qualify for payment of home leave type travel. The proposed amendment, however, would continue to condition the receipt of such home leave travel upon the completion of two years' continuous service abroad, or as soon as possible thereafter. Since the Agency prescribes overseas tours of duty in accordance with cover requirements, which in certain areas are of less duration than a two-year period, the statutory imposition of this minimal period as a prerequisite for home leave travel deprives personnel who are assigned to such areas of a statutory entitlement accorded other personnel. P.L. 737, 83d Congress, however, extends to Federal employees generally the same type of home leave travel benefit. The entitlement under P.L. 737 is dependent upon completion by an employee of an agreed period of service overseas, i.e., one to three years (under the provisions of P.L. 600, 79th Congress, and P.L. 530, 81st Congress). It also requires a signed agreement, executed before the employee's departure from overseas, that the individual will return overseas to serve another tour at the same or another overseas post. It appears preferable to consider an amendment to P.L. 110 which would permit the Director, under such regulations as he may prescribe, to provide home leave travel upon the satisfactory completion of a prescribed overseas tour. If a minimal period of service for such travel is considered essential, then consideration should be given to establishing

it as 18 months in order to provide for this benefit to employees assigned to certain areas in the Far East.

c. Revision of Section 5(a)(5)(A) of P.L. 110

As indicated in paragraph 3a above, this Office favors extension of the medical benefits contained in Section 5(a)(5)(A) to personnel on TDY overseas and to those assigned to U.S. territories and possessions. Consideration should also be given to the amendment of Section 5(a)(5)(A) by the addition of the following words after the word "Agency": "or the dependent of such an officer or full time employee." It is the opinion of this Office that inequities arise in situations where dependents must travel considerable distances, particularly in the FB area, in order to obtain treatment at suitable hospitals or facilities. This travel is currently being made at an employee's expense. It is believed that legislation which would permit this Agency to pay for the cost of dependent medical travel in those areas where suitable hospitals or clinics are not locally available is justified and should be sought.

d. Revision of Section 5(a)(5)(C) of P.L. 110

The General Counsel has ruled that our present authority for payment of medical expenses for illness incurred overseas requires the termination of eligibility upon an employee's return to the United States, even though it can be shown by conclusive medical facts that his condition was clinically incurred, whether medically diagnosed or not, while he was assigned abroad. It is suggested that the following language be added after the word "clinic" in Section 5(a)(5)(C): "and the termination of such overseas assignment shall not, in and of itself, terminate entitlement to the benefits of this section for conditions clinically incurred during the overseas assignment."

e. Revision of Section 6(f)(1) of P.L. 110

The Office of Personnel endorses the proposal in Section 8 of the CIA Amendments, expanding the number of retired officers that may be hired under Section 6(f)(1) of P.L. 110, and considers it appropriate to seek such legislation at this time.

4. If the Agency decides to seek legislative approval of Section 7 of the CIA Amendments in its present form, this Office assumes the Agency would still be required to consider Section 10(b), P.L. 110 as its authority for representation allowances. It is also noted that differentials are not covered in the proposed Amendments. It would appear that if we are at this time attempting to establish our own allowances program, differentials should also be covered in Section 7 of the CIA Amendments.

5. Similarly, if the Agency desires to obtain adoption of the provisions in Section 7 of the CIA Amendments relating to educational allowances, consideration should be given to the inclusion of a statement which would permit the advancement of funds for educational allowances. The General Accounting Office has advised that advance payments cannot be made under the provisions of the Foreign Service Amendments of 1955. It is our understanding, however, that the proposed Overseas Allowances Act, sponsored by the Administration, will contain a provision for advance payment of educational allowances. Accordingly, if such legislation is enacted, it would resolve the problem.

Harrison G. Reynolds  
Director of Personnel

~~Attachments~~

STATINTL PAS [redacted] mc (26 May 55)

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